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Ms. Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

**RE: Petition for Notice of Transfer of Control and New Financing Arrangement Filed
on behalf of T-NETIX, Inc.
Docket No. 04-00056
Data Request #1**

Dear Ms. Dillon

Enclosed please find the original and thirteen (13) copies of the response from T-NETIX, Inc ("T-NETIX") to the Tennessee Regulatory Authority's Data Request #1 from Aster Adams dated March 2, 2004.

To keep our records complete, please acknowledge receipt of this letter by returning, file-stamped, the extra copy of this letter in the self-addressed, stamped envelope provided for this purpose.

Please do not hesitate to contact me if you have any questions at (407) 740-3004 or morton@tminc.com

Sincerely,

Robin Norton
Consultant to T-NETIX, Inc.

RN/bc

Enclosures

cc. Kendall Hollon - T-NETIX, Inc
File T-NETIX, Inc - TN
tms TNX0401b

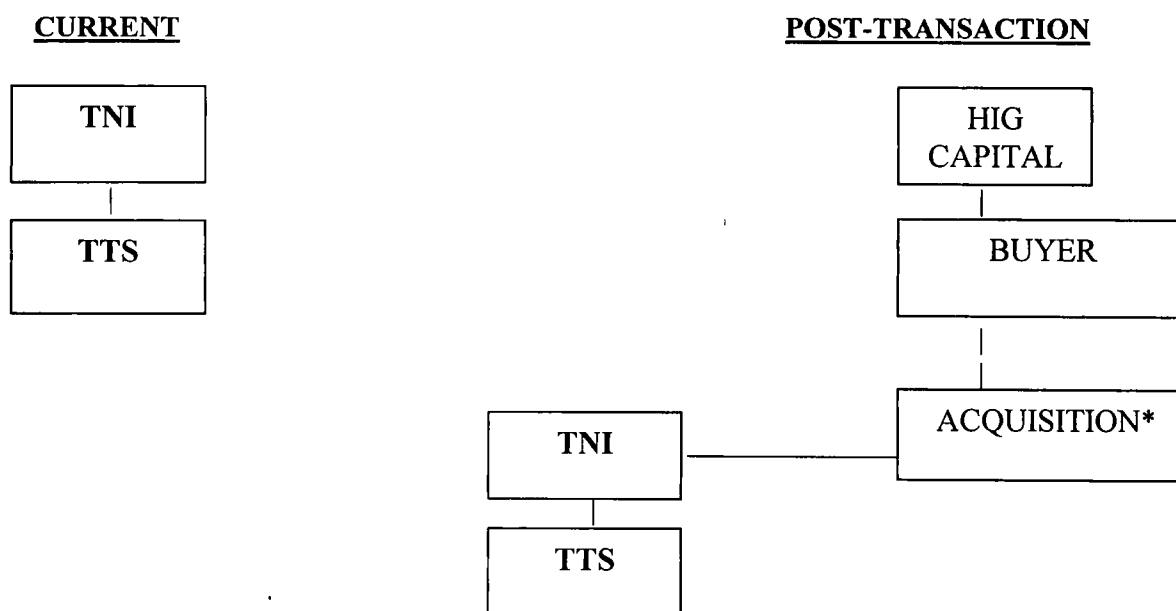
Proposed Transfer of Control and New Financing Arrangement of T-NETIX, Inc.

Data Request No. 1

Response of T-NETIX, Inc.

1. Provide a pre-merger and post-merger organization chart.

T-NETIX, INC.
TRANSFER OF CONTROL



TNI = T-NETIX, INC ("Applicant")

TTS = T-NETIX TELECOMMUNICATIONS SERVICES, INC

HIG CAPITAL = H I.G. Capital Partners III, L P.

BUYER = TZ HOLDINGS, INC.

*ACQUISITION = TZ ACQUISITION, INC (To be dissolved after the transaction, with TNI surviving as the wholly owned subsidiary of Buyer)

Docket No. 04-00056

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Data Request No. 1

- 2. Under which Tennessee Code Annotated (65-4-109 or 65-4-112), are you filing this petition? Explain your position.**

Item IV of the petition, regarding new financing, is submitted pursuant to Section 65-4-109.

Item II, regarding the stock transfer which is to take place, is submitted pursuant to Section 65-4-112

- 3. Provide the Docket Nos. in which each company, T-NETIX, Inc. and T-NETIX Communications Services, Inc. were awarded a Certificate of Convenience and Necessity to provide telecommunications services in Tennessee.**

T-NETIX, Inc	Case Number	96-01669	February 6, 1997
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T-NETIX Telecommunications Services, Inc	Case No:	97-00017	May 23, 1997
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- 4. Does T-NETIX do business in other states? If so, has T-NETIX filed similar petitions in the other states, and what is the status of such petitions?**

T-NETIX, Inc , is certified, registered or otherwise authorized to provide institutional calling services in forty (40) states, including Tennessee T-NETIX, Inc. is the entity which plans to transfer controlling interest in its stock to TZ Holdings, Inc.

As noted in the petition, T-NETIX, Inc 's wholly owned subsidiary, T-NETIX Telecommunications Services, Inc. is also a provider of institutional calling services, and is certified, registered or otherwise authorized to provide service nationwide except Alaska and Hawaii.

Filings have been made on behalf of T-NETIX, Inc. in every state that requires prior notification or approval, Inc and in which it is authorized In addition, in those states in which only T-NETIX Telecommunications Services, Inc is authorized to provide service, all required filings have also been made

All filings were made between February 13-25, 2004.

Docket No. 04-00056

**Petition for Notice of Transfer of Control and New Financing Arrangement Filed on
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Data Request No. 1

Response of T-NETIX, Inc.

5. If T-NETIX has filed similar petitions in other states, has it received approvals?

Eleven states require prior approval. One state has already granted approval. Some filings will be automatically approved following a specified number of days pursuant to state agency rules. Other states will issue orders granting approval. It is expected that all required approvals will be issued in the very near future.

6. If these Companies are engaged in interstate commerce, have they notified any Federal Agency? If so, what agency and what is the status of this application?

The appropriate filings have been made with the Federal Communications Commission. Under FCC rules, automatic approval of stock transfers of control are granted in fifteen days for international filings and in thirty days for domestic interstate filings.

Required notification to the Securities Exchange Commission has also been made.

7. How many customers does each company currently have in Tennessee, both retail and wholesale?

As providers of institutional calling services to inmates in confinement institutions, T-NETIX, Inc. and T-NETIX Telecommunications Services, Inc. do not have any presubscribed customers.